

California Competes Tax Credit



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www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit

The California Competes Tax Credit

California Competes Tax Credit

- Credit against the income tax due the Franchise Tax Board
- Non-refundable
- 6 tax year carryover

Accountability:

- Tied to achieving contractual (hiring/investment) milestones
- Recapture provisions

California Competes Tax Credit (Continued)

Credit awards are based on 12 factors:

- Number of jobs created or retained
- Compensation paid to employees
- Amount of investment
- Duration of proposed project and commitment to remain in this state
- Extent of unemployment or poverty in business area
- Extent the benefit to the state exceeds the amount of the tax credit
- Incentives available in other states
- Opportunity for future growth and expansion
- Other incentives available in California
- Overall economic impact
- Strategic importance to the state, region, or locality
- Training opportunities offered to employees

California Competes Tax Credit (Continued)

GO-Biz is also required to evaluate the extent to which the credit will influence the applicant's ability and/or willingness to create new full-time jobs in California that might not otherwise be created by the applicant or another California business

- How will this credit and – more specifically – the *amount* of credit being requested factor into the applicant's ability or willingness to expand in California?
- The Frequently Asked Questions on the GO-Biz website provide additional guidance.

California Competes Tax Credit Availability



\$180 million per fiscal year 2018/19 through 2022/23



No more than 20% may go to any one applicant per fiscal year

January 6, 2020 – January 27, 2020
\$75 million